

NEW ENGLAND GUIDE TO
Dental Practice Brokers



Committed to helping you...

Purchase a practice – Financing up to \$5,000,000.

Practice Solutions

Practice Sales & Acquisition Financing*

Ready to purchase a practice? You can analyze everything from location and patient base to fee structure and more with resources from the Bank of America Practice Solutions program. We'll also review a number of financial programs with you to make sure you find the best solution to meet your specific needs.

Our resources include:

- **Customized loan amounts;** up to 100% financing, plus additional working capital.
- **12-month interest-only options** to help keep first-year payments low.
- **Longer repayment terms** — up to 20 years — to keep payments affordable.
- **Fixed rate terms** to keep payments consistent and manageable.
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- **Funds up to \$5,000,000,** to meet your financing needs.
- **Practice purchase** and real estate combination loans.
- **Access to complimentary Practice Heartbeat® Program,** which provides information specifically for first-time practice owners.



Want to know more?

Call our Practice Specialists
at **1.800.360.0669**

or visit us online at

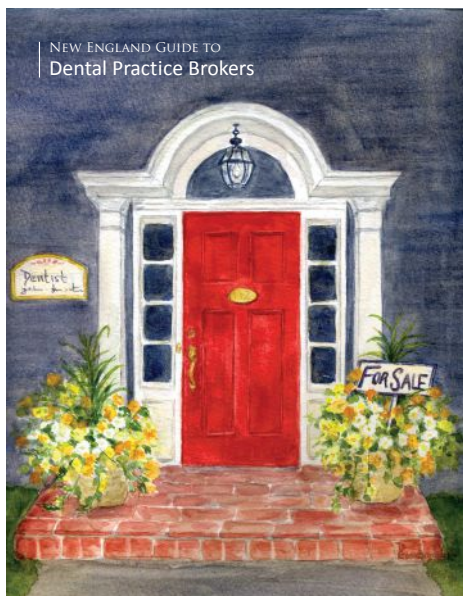
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practicesolutions.**

Priority Code: ADD0313A



Bank of America 

* All programs are subject to credit approval and loan amounts are subject to creditworthiness. Some restrictions may apply. Bank of America may prohibit use of a practice finance account to pay off or pay down another Bank of America account. Bank of America is a registered trademark of Bank of America Corporation. Bank of America Practice Solutions is a division of Bank of America, N.A. Bank of America Practice Solutions™ makes no express or implied warranties with respect to any aspect of the Practice Heartbeat® program, nor does it guaranty any success or promise any results, and hereby disclaims the same to the extent allowed by law. The opinions of Bank of America Practice Solutions™ are based upon prior experience, and it makes no promise or guaranty that undersigned will achieve any particular measure of success or results by participating in this program. You are not bound by any recommendations provided under this program and retain full responsibility for the results achieved by your professional practice.



As the Executive Director of the Massachusetts Dental Society, it is my job to work with our outstanding staff to develop and provide relevant materials for our members. The idea for this guide was suggested to me by one of my directors.

It was developed with the idea that it would be a key resource for you and save you time from trying to gather comparative information about dental practice brokers. As a dental practitioner in today's world, you are aware that the business of dentistry has become very complex and challenging. There are two major business decisions that you will probably face: One is buying a practice and the other is selling that practice. Each of these decisions is based upon many variables that you should consider in order to make informed choices.

On behalf of the Society and its Officers and Board, I hope you find the information in this guide to be of value to you as you consider exploring your options in selecting a practice broker. I wish you the best in your decision process.

For more information and updates on practice transitions, please visit www.massdental.org/buyingandselling.



Robert E. Boose, EdD, CAE
Executive Director
Massachusetts Dental Society

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Cover Illustration by Diane Giamberardino

Diane Giamberardino has had a lifelong interest in art and painting, working in several different mediums, most recently focusing on watercolor. Her other interests include gardening, flower arranging, kayaking, and traveling with friends and family. Diane has been married to current MDS President Dr. Anthony Giamberardino for more than 30 years, and together they have four sons aged 28 to 22, along with two Bernese mountain dogs.

AFTCO

Offices Located Nationwide
Carolyn Todd
(800) 232-3826
www.AFTCO.net



AFTCO is the oldest and largest dental practice transition consulting network in the United States. Founded in 1968, AFTCO has analyzed the personal and business needs of thousands of dentists and provided assistance in the area of purchasing, selling, and merging practices throughout the United States.

AFTCO evolved into the company it is today out of the desire to help dentists. Through years of devoting their lives to their practice, many doctors find that they lose sight of their own personal goals. Throughout their career, success is measured by practice productivity, and personal needs are often second to the demands of the practice. It was this ultimate realization that was responsible for a drastic change in AFTCO's philosophy and approach to the dental marketplace. AFTCO believes that doctors are

people too, with needs like anyone else. Assisting dentists in identifying and maintaining a proper balance between business goals and personal needs is how AFTCO became the "Quality of Life Specialists."

AFTCO offers more than 150 programs, which are oriented toward the person, not the dentist. Our objectives are to determine the doctor's needs, select the appropriate program, and successfully implement that program for the purpose of achieving long-term "quality of life" goals. The right program can give new direction and meaning to a doctor's life, which we believe they have earned.

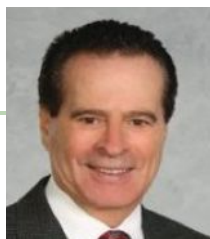
AFTCO is a dual representation firm. It is our belief that "fair" cannot be negotiated, but it can be determined by a knowledgeable, informed, and

objective third party representing the interest of both parties. This philosophy was responsible for AFTCO developing its business based on "Equitable Transactions Through Dual Representation."

AFTCO has developed a reputation for professionalism, integrity, and fairness throughout the dental industry by being "Quality of Life Specialists" who use the unique approach of "dual representation." This has allowed us to become the largest dental practice transition network in the United States.

If you want your transaction to be handled comprehensively and in a professional, non-adversarial environment, we welcome the opportunity to be of service to you.

When success matters, call AFTCO.



Peter Almonte, JD



Jeanne Fallago, JD, LLM, President

(866) 211-9602 • Fax (401) 349-2695

www.almontefallagogroup.com

Email: info@almontefallagogroup.com

Experience

We have facilitated several thousand practice transitions over 20 years. Our experience includes the sale of general and specialty practices, and partnership interests, as well as the merger of practices, and transition consulting.

Our Background

- Accounting: Price Coopers Waterhouse – tax attorney
- Corporate Legal: In-house general counsel for \$50 million annual sales corporation
- Real Estate: Real estate appraiser/broker/sales since 1980
- Dental Transition Broker/Consultant: 30-plus years
- Specialized Consulting: Partnership tax structure, partnership legal documents, specialized tax consulting.
- Judge: Probate Court Judge 2009 to 2011
- Speaker: Nationally recognized speakers
- Member: The Institute of Business Appraisers and Practice Valuation Club
- Author: *Dental Economics* and other miscellaneous articles

Our Success

- Largest Transaction Handled: \$20 million
- Largest Lease Negotiations: Dunkin' Donuts, Subway, and Sleepy's
- Highest Practice Sales Price: 98 percent of gross revenue (2012)
- Shortest Sale Time (written offer signed by both parties): 7 days (3 of our listings in 2012)
- Shortest Closing Time: Transition two weeks from written offer to closing in a \$1 million sale



Services

Our clients tell us that we make it easy for them to take that next step. When you are ready to transition your practice, we take care of everything.

- Practice Appraisals
- Qualified Expert Witness on Practice Appraisals
- Brokering Practice Sales
- Practice Transition Coordination
- Brokering Partnership Sales
- Acquisition Financing Consultation
- Succession Planning
- Tax Consulting
- Buyer or Seller Legal Representation
- Associate Placement
- Pre-Death and Disability Planning Program
- Partnership Mediation/Dispute Resolution
- Start-ups/Construction
- Build-outs/Lease Negotiations
- Partnership Legal Documents

Difference

Confidentiality

We will always put your interests first by protecting the confidentiality of your transaction.

Integrity

We believe that trust is earned, and our efforts are directed toward creating a fair and equitable result.



Approved PACE Program Provider
FAGD/MAGD Credit
Approval does not imply acceptance by a state or provincial board of Dentistry or AGD endorsement
11/2/2013 to 10/31/2014
Provider ID# 355374

Legal Expertise

We are experienced transition and tax attorneys and will work with you and your advisors in bringing your matter to a successful conclusion.

Extensive Marketing

We promote you both locally and nationally through the National Association of Practice Brokers, as well as promoting your practice on our interactive website providing maximum exposure in a confidential manner.

Personalized Attention

We will listen to your stated objectives and concerns, and address them in a way that is most comfortable for you. We meet with you one-on-one and guide you through the entire process.

- 100% success rate—We have *never* had a practice fail or a buyer default.
- Our affiliation with a network of expert dental practice advisors, including dentists, lending institutions, accountants, tax attorneys, and practice management firms, provides you with value-added services.
- We create a comprehensive transition plan tailor-made to *your* practice, allowing the seller to retire with dignity and the buyer to maximize patient retention.



NEW ENGLAND GUIDE TO Dental Practice Brokers

Henry Schein Professional Practice Transitions

100 Centre Boulevard, Suite A
Marlton, New Jersey 08053

(800) 988-5674
ppt@henryschein.com
www.henryscheinppt.com

Henry Schein Professional Practice Transitions is one of the nation's largest practice transition companies. We are a subsidiary of Henry Schein, Inc., a FORTUNE 300® company, member of the NASDAQ 100® Index, and the largest distributor of health care products and services to office-based practitioners. Henry Schein, Inc., is committed to its customers by partnering with them in business and providing value-added services to help support their practice goals and to ensure their success.

SERVICES THROUGHOUT YOUR CAREER

From the day you graduate dental school until handing over the keys to your practice at retirement, your career has many transitions. Finding an associateship, valuing a practice, buying a practice, hiring an associate, bringing on a partner, planning an exit strategy, and selling a practice . . . they all take solutions from professionals who understand practice transitions and how to help dentists succeed.

As experts in dental transitions, Henry Schein Professional Practice Transi-

tions consultants guide you through every stage of the process with experience, integrity, and resources that provide you with a clear advantage. No matter where you are in the life cycle of your dental career, our professionals facilitate the transition process with your goals and best interests in mind.

We can help you evaluate current plans or create new options based on your evolving needs. We are the first and only place you need to go when you are thinking about buying, selling, or valuing a dental practice. Henry Schein Professional Practice Transitions provides full-service transition services, including comprehensive dental practice sales and brokerage, practice valuations, buyer agency representation and financing, partnership formation, transition planning, and associate placement supported by a nationwide network that successfully matches associates, buyers, and sellers in every region of the country.

THE HENRY SCHEIN ADVANTAGE

Henry Schein Professional Practice Transitions offers many advantages over other transition and consulting

"My dental practice of 35 years was appraised early June 2013 and the sale and closure of my practice and office condominium was completed in September 2013. From the initiation of the process until its completion, my Henry Schein consultant guided me through the process and helped me to make sense of the transition requirements . . . My consultant was warm, knowledgeable, professional. I was extremely impressed with her accessibility throughout the process, especially when I was at a loss as to how to proceed. She 'held my hand' and made what could have been a stressful endeavor into a well-orchestrated and safe business deal."

G. W., DDS
Pennsylvania
Practice Seller

firms. We provide nationwide coverage and listings, local presence and knowledge, expertise, and resources to get deals closed, an experienced team of consultants, many of whom were practicing dentists, and leaders in the industry (dental school professors, published authors, and top consultants/experts, renowned speakers).

We have relationships with our dentists from the time they graduate from dental school with associate-ship placement through Henry Schein Nationwide Dental Opportunities, through the purchase of their first office with Henry Schein Professional Practice Transitions, continuing to be a major supplier of dental supplies, technology, and equipment with Henry Schein Dental, including financing through Henry Schein Financial Services, as well as value-added services that optimize profitability.

Throughout your dental career, you will face many unique opportunities and choices. Henry Schein Professional Practice Transitions will help you make good decisions, moving you closer to your personal and professional goals.



NEW ENGLAND GUIDE TO Dental Practice Brokers

Jim Kasper Associates, LLC

P.O. Box 143
Walpole, NH 03608

Phone: (603) 355-2260
info@jimkasper.com
www.jimkasper.com

With Jim Kasper Associates, you can transition your practice with confidence.

Jim Kasper Associates is the most experienced practice transitions firm in the Northeast.

Since 1981, we have successfully transitioned more than 2,000 practices. We are the only firm with a dedicated sales team, focused solely on facilitating sales of dental practices.

Jim Kasper Associates is a member of ADS, the largest exclusive consortium of dental practice brokers in the United States. We leverage this network, along with other proven proprietary marketing techniques, to identify dentists who are considering relocating to the Northeast early in the search process, allowing us to help achieve your goal faster!

We stand behind our trusted reputation as a seller's agent, knowing that each client we serve receives the unmatched experience, attention, dedication, and determination it takes to successfully transition your practice. We have dedicated our professional careers to the dental industry.

If you're considering selling your practice, we suggest that you meet with us for a complimentary and strictly confidential conversation to discuss your goals and learn about the five key factors for a successful transition.

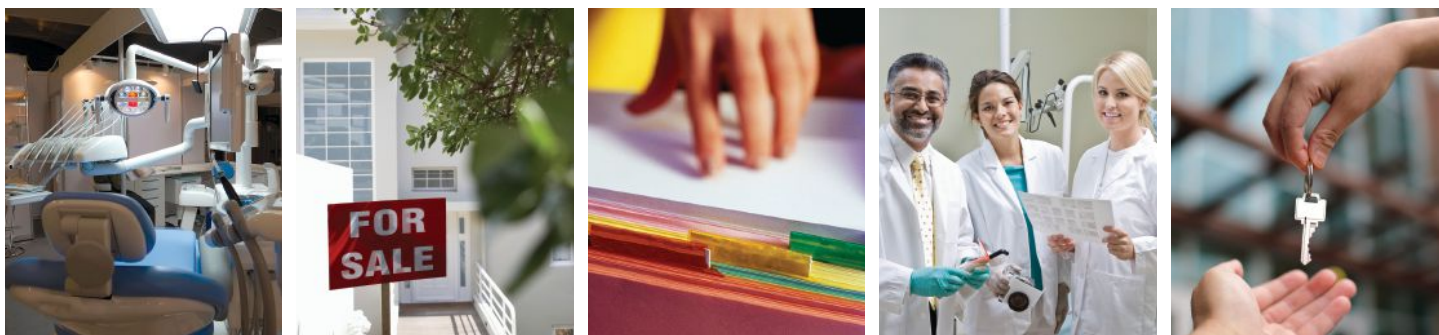
Preparation is essential to obtaining the highest possible sales price. The simple process of readying a practice for sale is usually a low-cost affair that will produce high gains in most every instance.

"Plan ahead" and "be prepared" is some of the oldest advice in the book—following it is our advice!

Contact us for a free copy of our guide, *Achieving Freedom from Ownership*.

Starting a Dental Practice: Tips on Buying a Practice

This article is reprinted courtesy of the American Dental Association.



Where to Go

To begin the process of buying a practice, be sure to consider the following potential sources of information: dental society website (e.g., www.massdental.org or www.ada.org); practice brokers; professional journals; and dental schools.

Evaluating the Practice

It goes without saying that you'll want to examine a practice carefully before you buy. In addition to evaluating the location based on the considerations such as economic potential and personal preferences, consider the following factors:

- Is the practice active and healthy? Examine financial records for at least the past three years. Project realistic revenue and expenses for the next two years based on those records. Examine the relationship between gross and net practice income.
- Is the fee schedule up-to-date? When were the fees last increased? You may lose patients if you suddenly increase fees upon assuming ownership control.
- Verify the number of *active patients*, not patients of record. Generally, an active patient is one that has been seen within the past 12–14 months. The American Dental Association (ADA) House of Delegates adopted the following definitions for this use:

Active Dental Patient of Record: An active dental patient of record is any individual in either of the following two categories: Category I—Patients of record who have had dental service(s)

provided by the dentist in the past twelve (12) months; Category II—Patients of record who have had dental service(s) provided by the dentist in the past twenty-four (24) months, but not within the past twelve (12) months. Each of these categories of active patients of record can be further divided into: 1) new or regular patients who have had a complete examination done by the dentist, and 2) emergency patients who have only had a limited examination done by the dentist.

Inactive Dental Patient of Record: An inactive dental patient of record is any individual who has become a patient of record and has not received any dental service(s) by the dentist in the past twenty-four (24) months.

- How will ownership of records be transferred and patients notified? A personal introduction can facilitate a smooth change of providers for the patients. Will the seller introduce you personally or through correspondence to the patients? Several other things can also facilitate a smooth transition; if possible, auxiliary personnel should be retained, along with the practice's telephone number.

Fair Market Value

If results of the above evaluation indicate the practice is suited to your needs, you must next negotiate the purchase price. You may wish to retain the services of a professional practice appraiser at this

point. According to the Internal Revenue Service, "fair market value" is "... the price at which the property would change hands between a willing buyer and a willing seller, neither being under any compulsion to buy or to sell and both having reasonable knowledge of relevant facts."

Purchase price includes both physical assets (fair market value of dental and office equipment, furniture, supplies, and leasehold improvements) and goodwill (value of the practice beyond its tangible assets: the likelihood that patients will remain with the practice). Consult with local dental supply dealers, management consultants, and your local attorney to assess the appropriate goodwill value.

Calculating Goodwill

Goodwill is "the probability that the old customers will report to the old place. It is the probability that the business will continue in the future as in the past, adding to the profits of the concern, and contributing to the means of meeting its engagements as they come in."

Because the goodwill value of a practice is intangible, it is difficult to measure and even more difficult to establish its price for any particular dental practice.

You must consider the desirability of office location and if it will be possible for you to retain and renew the office lease. Another factor, as noted, is the number of active patients and the likelihood of their staying with the practice. You must also evaluate recent or anticipated trends, positive or negative, in productivity, overhead, and overall office profitabil-

ity. Retaining key staff and the practice telephone numbers are important factors in maintaining patient comfort. Try to keep from making too many changes. The reputation of the practice will also have an impact on the value of the goodwill.

As you review the practice records, note the rate of influx of new patients and determine the practice's usual referral sources. You will need to generate referrals from these same sources and may want to ask the selling dentist to introduce you to referring dentists to maintain goodwill. Significant economic or demographic trends and elements of supply and demand of market competition will also enter into your negotiations of goodwill. Finally, your introduction to patients by the seller will have tremendous impact on patient retention.

Be wary when considering the purchase of a dental practice that has been idle for some time, such as when the practice is being sold by the estate of a deceased dentist. While this may be the least expensive way to acquire equipment and a file of potential patients with whom you can build a successful practice, patients often seek new dentists immediately when they hear their dentist has died.

Your attorney or other advisor should participate in drawing up the formal sale agreement, protecting your interests and explaining what you will sign.

Finally, be sure you understand the relationship among price, down payment, and financing terms. Shop around and compare interest rates as you negotiate financing. Again, your attorney or practice advisor should be consulted.

Accounts Receivable

There are basically three types of arrangements in handling existing accounts receivable during the transfer or sale of a practice.

- In the first, the seller retains the accounts receivable and is solely responsible for their collection.
- In the second, the buyer is given the option to purchase at a discount (to allow for uncollectibles) outstanding accounts less than one year old. All others remain the property of the seller, who is responsible for their collection.

- In the third, the buyer may continue to collect the outstanding accounts and remit to the seller, less collection costs. After one year, outstanding accounts are transferred back to the seller for collection.

(No one of these options is better than the others. Which one you select is a matter of personal choice and negotiation.)

Tax Ramifications

As in any capital transaction, tax consequences of buying a dental practice are of critical concern to both the buyer and the seller. It is imperative that both parties seek expert professional assistance in this area throughout the negotiations and before a contract is signed.

Restrictive Covenant

When negotiating a buy-sell agreement, you may consider including a restrictive covenant (noncompetitive clause). This restriction will prohibit the selling dentist from relocating and setting up a new practice in the area within a reasonable period of time. Without such a clause, you may find you have purchased only used equipment and a lease, while your patients go down the block to make appointments at the new practice of the selling dentist.

Restrictive covenants are not enforceable in all states or under all conditions. Be sure to check with your legal advisor to be sure any such element of the contract is in keeping with locally accepted legal standards. In states where restrictive covenants are enforceable, they must be considered reasonable in the eyes of the law. As a general rule, if the following questions can be answered in the negative, the restriction can be considered reasonable.

1. Is the restraint on the seller greater than is necessary to protect the buyer's legitimate interest?
2. Is the restraint on the seller unduly harsh or oppressive?
3. Is the restraint harmful to the public interest?
4. Is the restraint unreasonable in terms of geographic area?
5. Is the restraint unreasonable in terms of the length of time during which it is effective?

Again, these are only general guidelines. Your attorney is your best advisor in this situation.

Other Considerations

Wherever possible, try to structure the purchase within a timeframe that allows the selling dentist to spend a minimum of four to eight weeks in the practice with you to help you become familiar with the practice and the staff, and to introduce you to patients. This will help in making a smooth transition.

Be Patient

After you have bought a practice, hold back from making major changes right away in practice policy and philosophy, in staff, and in fee structures. You want to maintain the highest percentage of returning patients, so make your changes slowly and with considerable thought. This approach will also benefit you in gaining the full support of the staff members. If you come in and institute a general house-cleaning, installing a practice philosophy that contrasts sharply with that of the selling dentist, you will probably lose more patients than normally associated with a change of practice ownership. Remember, people don't like change. They like consistency. You can make the changes you want within the first year and do it with the full support of your staff if you plan your changes carefully and in a positive way by involving your staff in the decision making.

Finally . . .

Buying an established dental practice is a positive way to begin your dental career or may be the outcome of a successful associateship with the selling dentist. In either case, negotiating the sale or purchase of a practice will begin with the evaluation of the many facets that comprise a practice's "success quotient." The advice of an experienced attorney, practice management consultant, and/or tax advisor will be important to your success; these consultants should be brought into the process in its early stages.

For more information on practice transitions, please visit www.massdental.org or www.ada.org. You can also purchase valuable manuals on starting a practice and valuing a practice from the ADA Catalog at www.adacatalog.com.

NEW ENGLAND GUIDE TO Dental Practice Brokers

MORR Dental Solutions, LLC

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Westborough, MA 01581
(508) 475-3830
www.morrrds.com

MORR Dental Solutions is your trusted partner in all areas of practice transition. Our seasoned team has years of experience advising dentists, valuing practices, structuring buy-ins/buy-outs, and negotiating contracts between parties. We have worked with solo practitioners and groups of all sizes representing buyers and sellers.

If you are interested in buying a practice, this is likely one of the most important decisions you will make in your career. MORR has access to some of the premier dental practices in New England and will help you find the practice best suited to your style. Specifically, we will prepare a financial analysis of the practice you are considering, assist you in developing an offer, assess your cash flow and debt service requirements, assist with the structure and negotiation of definitive agreements, and provide guidance regarding due diligence procedures. Our years of experience with dental practice transitions will ensure the process will run smoothly from start to finish.

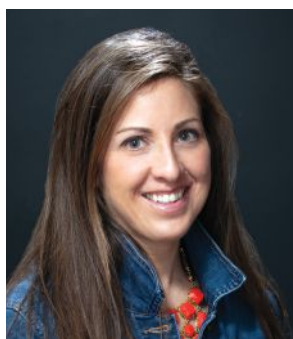
As a seller, transitioning your practice can be an overwhelming experience and have significant financial implications in regards to your retirement. MORR has years of experience in all aspects of practice transitions and will guide you through each step with a strong hand and a calm voice. Entrust this most critical time in your career to a firm of professionals who will ensure you realize the full value of the practice you have worked so hard to build, as well as understand the significant emotions you will experience.

In addition to the traditional brokerage, valuation, and transition services, MORR is uniquely positioned to provide services for those interested in building a dental group practice or emerging dental groups. We can assist with the initial development of the entity(ies) and thought process behind pursuing a DSO model or DSO/MSO model. If you are interested in growth through acquisition, we are skilled at preparing strategies to ensure that appropriate investment decisions are made both financially and operationally. We can also provide

insight and knowledge on your operational structure to ensure that as your organization grows, you have the appropriate infrastructure in place.

Maria's background as a CPA and former purchaser of dental practices across the country for one of the largest dental practice management companies provides her with a unique insight and perspective on dental transitions. Maria has participated in more than 100 transactions ranging in size from \$50,000 to \$90 million. Her involvement in these transactions ranged from sourcing leads, financial modeling and valuation, deal structuring and negotiation to oversight of the transition and integration. In addition, Maria is the only broker in New England certified by the National Association of Certified Valuation Analysts as a Certified Valuation Analyst ("CVA").

MORR is affiliated with Rosen & Associates, LLP, the largest provider of accounting, tax, and business advisory services to the New England dental community.



Maria G. Melone, MSA, CPA, CVA



Dennis J. O'Toole, CPA, MST



Larry S. Rosen, CPA, MBA



Mark B. Rosen, CPA, CFP®



MORR DENTAL SOLUTIONS
The Evolution of Practice Transitions



*We may not be the biggest, but we
are committed to being the BEST!*

National Practice Transitionssm

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Warwick, RI

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F: (877) 641-0808
info@nptdental.com
www.nptdental.com

National Practice Transitions, LLC (NPT), formerly the **Baccari Cabral Group**, is a full-service dental practice brokerage firm with more than 36 years of combined experience in consulting and brokerage services.

Selling your practice is a very big decision. Hiring the right company to handle this job is extremely important. NPT sets itself apart from the competition for the following reasons:

1. Selling practices is not a “side” business for us. Selling practices is our primary and only source of business. We have no conflicts of interest when you hire us. We are *not* your CPA firm who branched off into the practice sales business who may be telling you to sell in order to make a commission, or a dental supply company whose primary interest in selling your practice is to keep the buyer of your practice to continue to order their dental supplies with their company. Our services are specific to selling practices and our advice is expert, competent, and without any ulterior motives.

2. Educational background of the principals. The principals of the company, Scott Cabral and Daniel Baccari, are both licensed Massachusetts and Rhode Island attorneys who fully understand the contractual implications of selling your practice. This background gives us a significant advantage when communicating and negotiating with the buyer’s attorney and advisors, and also allows us the expertise to provide free draft legal documents for our clients.

3. Competence and experience. Having participated in hundreds of dental practice sales, we have the experience and know-how to help move the transaction beyond the obstacles with creative and “thinking-outside-the-box” solutions.

4. National exposure but local service. We have the infrastructure to locate buyers from all over the country, but still provide the highest level of service you should expect from your local broker.

5. Fiduciary responsibility. Since we are *not* a dual representation company, we never represent both buyer and seller in the same transaction. We believe this results in higher sales prices for our clients and more beneficial tax treatment resulting in higher net proceeds.

6. Results. We are committed to building a marketing infrastructure via a state-of-the-art website, participation in dental trade shows, journals, etc., to get the most exposure for your practice. Competition for your practice through marketing results in some of the highest recorded sales prices (as a percentage of collections) in the New England market.

7. 100 percent success rate. We take our task of finding a compatible buyer very seriously. Our sellers have peace of mind in knowing their patients are left in good hands. No buyer we have ever sold a practice to has ever failed or defaulted, a record we are very proud of.

New England Practice Transitions is a dental practice brokerage firm founded and operated by Benjamin C. Larkin, JD, and Jon Wendell, DDS. Since the firm's founding in January 2000, Attorney Larkin and Dr. Wendell have participated in hundreds of practice transitions, working primarily in the six New England states. Dr. Wendell continues to own and operate a pediatric dental practice. Attorney Larkin continues to own and operate a law practice primarily focused on issues arising in dental practice transitions. Together, through New England Practice Transitions, Attorney Larkin and Dr. Wendell offer the professional expertise and practical experience to ensure that your dental practice transition is a success.

New England Practice Transitions offers practice valuation services, traditional practice brokerage services, and consulting services in connection with buy-in agreements, buy-out

agreements, partnership agreements, buy-sell agreements, and other dental practice ownership documents. Attorney Larkin is also able to offer buyer or seller legal representation in New Hampshire and Massachusetts through his law practice. All fees are discussed and agreed to up front. There is never a question of which party New England Practice Transitions is representing. New England Practice Transitions is happy to work with your other professional advisors who may be involved.

New England Practice Transitions is not merely a referral service. New England Practice Transitions does not utilize high-pressure sales tactics. Instead, New England Practice Transitions listens, both to its own clients and to the other parties in transactions. New England Practice Transitions becomes directly involved in transactions, visiting practices, negotiating terms, drafting documents, and communicating effectively with

all parties and their representatives throughout the process. New England Practice Transitions is proud to have represented certain sellers in multiple transactions and to have represented sellers who were former buyers who originally purchased their practices years ago through New England Practice Transitions.

When you are choosing to work with a professional dental practice transition firm, choose wisely. Choose the firm that has the reputation and integrity that match your own. Choose New England Practice Transitions. By professionals, for professionals!



Benjamin C. Larkin, JD



Jon Wendell, DDS

Benjamin C. Larkin

(888) 888-6506

blarkin@newenglandpracticetransitions.com





PARAGON

DENTAL PRACTICE TRANSITIONS

1000's of Successful Transitions

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Contact Michele for a Free Consultation

C: 603.455.8848 E: Michele@paragon.us.com

NEW ENGLAND GUIDE TO Dental Practice Brokers

PARAGON Dental Practice Transitions

PO Box 2485
Ridgeland, MS 39158-2485

(866) 898-1867

www.paragon.us.com

Local Consultant: Michele DesMarais

Why PARAGON?

The strength of a national company with knowledgeable local representation. Michele completes millions of dollars in transitions annually.

We Are Not Brokers

We do not accept just any practice or buyer. We only work with quality practices that have the cash flow to justify the price. When you list your practice with PARAGON, we ensure every buyer is prequalified and meets your specific needs.

Unique—Dual Representation

We create win/win transitions. Purchasing a dental practice is not like purchasing property. The major value in a dental practice is goodwill. If the goodwill is lost, so is the business. We set a fair market value and work with the buyer and seller to ensure a successful transition of the practice. Most dental practice sales fail because one party is looking for a win/lose deal. With PARAGON, it is win/win or no deal.

Practice Sales

There are many different types of sales and transitions. You can: sell and retire; sell and continue working for a short time or for years to come; sell a portion at a time; or even sell and maintain control for a defined time.

Pre-Sale

Protect your practice equity for you and your family. Transition your practice at its peak value. You receive the maximum value for your practice while maintaining a steady income and an improved quality of life. Sell, work, and retire on your terms.

Co-Ownership Programs

Share the overhead and responsibility while maximizing your practice value. It is like selling your practice twice. A typical practice is valued at 50 percent to 80 percent of annual collected production. A COAP program allows many dentists to receive 100 percent to 150 percent or more of collected annual production.

Practice Valuations

Receive a comprehensive analysis, which details the financial health of the practice. The report includes realistic growth potential, income and expense expectations, and net cash flow for the next 10 years. The most comprehensive presentation available for prospective buyers.

Practice Mergers

The golden opportunity to build your practice and your wealth. It can provide an immediate increase in cash flow, patient flow, or both.

Progressive Ownership

A perfect program for new graduates. It allows for a gradual transition of the practice. It can be structured as a pre-sale or a walkaway sale.

A Little About Michele

A PARAGON Consultant of the Year, Michele is experienced with lenders, attorneys, CPAs, and all aspects of a transition. She will listen to your goals, provide a plan of action, and work with all parties to create a win/win transition.

The “Million Dollar Metrics” for General Dentistry Success

By Andrew Schwartz, CPA

Managing a practice requires that you look at “the numbers” on a regular basis. If you’re like most practicing dentists, you probably try to glance at the production and collections figures at least monthly. Did you know that there are a lot of other performance metrics that can help you gauge how your practice (or one you’re interested in buying) is performing?

Figuring out which metrics are meaningful is one challenge. The problem is that calculating those metrics and then looking at those performance indicators in a vacuum doesn’t provide you with much insight at all. For that reason, calculating various performance metrics will be much more valuable to you if you can compare your practice’s metrics to your peer group.

My CPA firm currently provides tax, accounting, payroll, and basic practice management services to more than 150 dental practices. Each winter, we collect practice management data from many of our practice clients and used that data to calculate the following 10 meaningful performance metrics for general dentists:

- Number of Active Patients (Defined as an individual treated at least once during the prior 12 months)
- Collections per Active Patient
- Collections per Doctor Hour
- Collections per Procedure
- Number of Procedures per Active Patient

- Number of Non-Diagnostic and Non-Preventive Procedures per Active Patient
- Re-Care Efficiency (Defined as the percentage of Active Patients who came in for two exams during the year)
- Number of New Patients Brought in During the Last Year
- Percent of New Patients to Active Patients
- Percent of Adjustments and Write-offs to Gross Production

To make these metrics even more meaningful, we calculated each performance metric based on the data collected from all the participating practices, and then re-calculated them based on the practices that collected \$1 million or more. It’s very interesting to see how the performance metrics for the total sample compare with the same metrics calculated from just the million-dollar practices.

As part of our analysis, we also created a graph that we call our “Internal Marketing Matrix.” This graph plots Re-Care Efficiency on the x-axis versus New Patient Percentage on the y-axis for each of the participating practices. Depending on your practice metrics and where you fall on this graph, you’ll either be a politician, engineer, neophyte, or “dentist-preneur.”

To learn more about these 10 metrics and the four quadrants of our Internal Marketing Matrix, and to find out how your general dental practice compares against the average prac-

tice and the “million dollar” practice, please watch our YouTube Presentation on “Million Dollar Metrics for General Dentists” available at www.schwartzaccountants.com/learn.

If you’re practicing in the Greater Boston area and would like to set up a time for my firm to help you figure out these metrics for your practice, please do not hesitate to contact me at (800) 471-0045 or andrew@schwartzaccountants.com. We’d appreciate the opportunity to help you gain some insight on the performance metrics for your practice.

We also offer comprehensive due diligence reports to sellers and buyers of dental practices to help you evaluate the practice before you negotiate a sale.

For more tips and advice, visit our website at www.schwartzaccountants.com, or like us on Facebook at www.facebook.com/SchwartzCPAS.

Andrew D. Schwartz, CPA, is founder and managing partner of Schwartz & Schwartz, an award-winning CPA firm that specializes in health care professionals and their practices. Since 1993, Schwartz & Schwartz has helped hundreds of dental practice owners address their accounting, tax, payroll, and practice management needs in order to reach their financial goals. Mr. Schwartz is founder of the nationally recognized MDTAXES Network and a multi-year winner of Boston Magazine’s “Best in Client Satisfaction” – Five Star Wealth Manager’s Award.



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- Assistance with IRS and State notices
- Practice management assistance, including our:
 - Annual collections and overhead analysis
 - Fee schedule comparison to your peers
 - "Million Dollar Metrics" report
- Payroll services
- Human Resource compliance assistance



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AR2B8FDF-01032013